

11 KAR 16:030. Early Childhood Development Scholarship Program overawards and refunds.

RELATES TO: KRS 164.518

STATUTORY AUTHORITY: KRS 164.518(3), 164.748(4)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.518(3) requires the authority to promulgate administrative regulations for administration of the Early Childhood Development Scholarship Program. This administrative regulation establishes procedures for refund to the authority of monies paid under the Early Childhood Development Scholarship Program.

Section 1. Failure to Enroll or Official Withdrawal Before Classes Begin. If a scholarship recipient fails to enroll in or officially withdraws from the scholarship program curriculum at a participating educational institution prior to the first day of classes, the scholarship award shall be deemed an overaward and a full refund of the monies to the authority shall be required, notwithstanding a policy of the school to the contrary.

Section 2. Withdrawal After Classes Begin. (1) If a scholarship recipient officially withdraws or reduces his enrollment, and this occurs before the participating institution applies the funds to the student's account or disburses the funds to the student, the participating institution shall:

(a) Apply the funds to the student's account for charges owed to the institution in accordance with the participating institution's refund and repayment policy relative to financial aid funds; and

(b) Return to the authority the remaining funds.

(2) If the participating institution applies the funds awarded to the student's account or disburses the funds to the student, and the scholarship recipient subsequently officially withdraws or reduces enrollment status, the student shall not owe a repayment to the authority of award funds for that academic term. If the participating institution owes a refund of institutional charges in accordance with the participating institution's refund and repayment policy relative to financial aid funds, the institution shall remit to the authority that part of the refund attributable to the early childhood development scholarship funds.

Section 3. Unofficial Withdrawal. If a scholarship recipient unofficially withdraws from an eligible course after the beginning of classes, the authority shall not seek from the participating institution a refund of the monies paid under the scholarship.

Section 4. (1) If the participating institution applies to an ineligible student's account or disburses to an ineligible student scholarship funds for an academic term, the participating institution and the student shall be jointly and severally liable to repay to the authority the entire amount of scholarship funds applied to that student's account and disbursed to that student.

(2) If the participating institution applies to an eligible scholarship recipient's account or disburses to an eligible scholarship recipient scholarship funds for an academic term that exceed the amount awarded to the scholarship recipient, the participating institution and the scholarship recipient shall be jointly and severally liable to repay to the authority the excess amount of scholarship funds applied to that scholarship recipient's account and disbursed to that scholarship recipient.

Section 5. (1) If a refund is due from the participating institution or a repayment is due from a student who receives an overpayment or was not eligible for a scholarship award, the participating institution shall transmit to the authority the refund and shall report to the authority:

- (a) The student's name and Social Security number;
- (b) The reason for the refund or repayment;
- (c) Date of enrollment status change;
- (d) The academic term and year; and
- (e) The calculation used for determining the refund or repayment.

(2) Refund of an amount due by the participating institution shall be transmitted to the authority by electronic funds transfer. Failure of the institution to make restitution when required shall, without precluding other remedies, be deemed cause for limitation, suspension or termination of the participation of the institution in accordance with 11 KAR 4:020. (27 Ky.R. 1369; Am. 2111; eff. 2-5-2001.)